

Fiscal Note

Fiscal Services Division



HF 523 – Honey Bee Keeping Costs, Sales Tax Exemption Bill (LSB2558HV)
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Fiscal Note Version – New

Description

House File 523 provides a sales tax exemption on the sale of honey bees in Iowa.

Assumptions

- Average sales of honey bee packages (loose cage of bees including queen bee) are 10,500 packages per year.
- The average package price is \$100.
- Growth in taxable sales is assumed at 3.2% in FY 2015, 3.4% in FY 2016, 3.6% in FY 2017, and 3.0% in FY 2018.

Fiscal Impact

The following table provides the estimated fiscal impact of **HF 523**. Annual State sales tax revenue will be reduced by less than \$100,000 per year.

Sales Tax Exemption Amounts			
Fiscal Year	Impact to General Fund	Impact to SAVE	Impact to LOST
FY 2016	\$ 57,000	\$ 11,000	\$ 10,000
FY 2017	59,000	12,000	10,000
FY 2018	61,000	12,000	11,000
FY 2019	63,000	13,000	11,000
SAVE = Secure and Advanced Vision for Education			
LOST = Local Option Sales Tax			

Source

Department of Revenue

/s/ Holly M. Lyons

March 10, 2015

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
